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PRESS RELEASE

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MEMPHIS ATTORNEY INDICTED FOR MISAPPROPRIATING \$3.7 MILLION

Memphis, Tennessee - Terrell L. Harris, United States Attorney for the Western District of Tennessee, announced today that the federal grand jury returned an indictment charging Nat B. Hughes, III, with eight counts of mail fraud and wire fraud, and one count of money laundering. The indictment charges that Nat B. Hughes, a local real estate attorney, was responsible for misappropriating \$3.7 million. The indictment alleges that he was closing attorney on numerous real estate loans. In closing these loans he was responsible for the disbursement of funds received at the real estate closing, including the payoff of any existing loans which collateralized the real property. The indictment states that Nat B. Hughes did not pay off the existing mortgage on the property being sold/refinanced, but instead retained the money for his own personal gain and benefit. Specifically, he used the money which had been set aside to pay off the existing mortgages to invest in the stock market. The indictment alleges that he transferred these funds to his investment trading account at Daytek Online Trading in New York. The indictment provides that he defaulted on 31 loans in which he had

misappropriated approximately \$3.7 million.

The mail fraud and wire fraud counts set out in Counts 1-8 each carry a maximum sentence of not more than 5 years, not more than \$250,000 fine or both. Count 9 which charges the crime of money laundering carries a maximum sentence of not more than 10 years, not more than \$250,000 fine or both.

The case was investigated by the Memphis Division of the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Lawrence Laurenzi.

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